

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 459 – SB 939

April 7, 2015

SUMMARY OF ORIGINAL BILL: Requires a county to issue a property tax refund ordered by a court, the state board of equalization, or the assessment appeals commission by U.S. certified mail, return receipt requested.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures - \$54,000*

SUMMARY OF AMENDMENT (005818): Deletes and rewrites the bill in its entirety. Requires one-third of monies paid, in the first three years after the effective date of this legislation and the full amount thereafter, by an individual owning or operating a marina, yacht club, dock, or similar property that is on property owned by the United States Army Corps of Engineers, that are paid for the purpose of satisfying a payment in lieu of tax agreement with the taxing jurisdiction, to be credited by the applicable taxing jurisdiction against the responsibility of such person for real and personal property taxes with respect to the marina, yacht club, dock, or similar property. Effective January 1, 2016.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Decrease Local Revenue –

**Exceeds \$526,000/Each Year FY15-16 through FY17-18
\$1,580,000/FY18-19 and Subsequent Years**

Assumptions for the bill as amended:

- This is a property tax bill; thus, no fiscal impact to state government.
- The Comptroller of the Treasury (COT) reports that applicable marina owners paid property taxes of approximately \$1,580,000 annually between 2012 and 2014.
- The COT reports the amended bill will allow such owners a credit worth one-third of their payments in lieu of taxes over the first three years and the full amount paid thereafter against their local property taxes for certain federal payments made in lieu of taxes paid by such owners.
- Based on information provided by the COT, payments made in lieu of taxes are sufficient enough to reduce local revenue from property tax payments by at least \$526,614 ($\$1,580,000 \times 1/3$) over the first three years of the program and by the full \$1,580,000 thereafter.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink, reading "Jeffrey L. Spalding". The signature is written in a cursive style with a large, stylized "J" and "S".

Jeffrey L. Spalding, Executive Director

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